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SAN JOSE

FIRE FIGHTERS & POLICE OFFICERS



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December 13, 2011

**VIA E-MAIL AND REGULAR MAIL**

Gina Donnelly  
Deputy Director of Employee Relations  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

**RE: Your Letter of 12/07/11 on Sick Leave Payout Negotiations**

Dear Gina:

The International Association of Fire Fighters, Local 230 and the San Jose Police Officers' Association are in receipt of your letter of December 7, 2011, in which you request negotiations concerning the sick leave payout benefit that the City contends are "separate and apart" from the ongoing negotiations between the parties over retirement benefits. Your letter rightly acknowledges that the proposal concerning reduced retirement benefits which was made by both Local 230 and the SJPOA "included a proposal on sick leave . . . ."

Indeed, as we have consistently maintained and as SJPOA counsel John Tennant outlined in his prior letter of October 4<sup>th</sup> on this same subject, the SJPOA's and Local 230's retirement proposal contains a significant modification to the sick leave payout benefit. The SJPOA's actuary, David Hilko of Deloitte, Inc. has estimated that the sick leave proposal will save the City approximately 10 million dollars in the first year alone.

Your December 7<sup>th</sup> letter goes on to state that the "City continues to be unable to accept the Union's proposal" without providing any reason for the City's rejection of the proposal. Moreover, that statement is seemingly at odds with another letter which Assistant City Manager Alex Gurza recently sent to the SJPOA and Local 230 on December 9, stating that "[t]he City would be amenable to continuing the discussions regarding all retirement issues . . . in mediation." (Local 230 and the SJPOA will respond to your December 9<sup>th</sup> letter's request to continue mediation under separate cover.) Given that the unions' sick leave proposal is an important component of the unions' retirement proposal, Local 230's and the SJPOA's position

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remains that the issue of changes to the sick leave payout benefit should continue to be discussed in the context of settling the larger matter of retirement benefits in general. Unless and until those negotiations are concluded, either successfully or unsuccessfully – or the SJPOA and Local 230 elect to remove their sick leave proposal from the unions' larger settlement proposal on all things retirement-related – sick leave is an integral component of the SJPOA's and Local 230's retirement proposal.

It is also worth mentioning that simply from the perspective of affording the parties a manageable workload, the City's seeming insistence on a separate set of negotiations concerning sick leave alone makes little sense. As you know, the efforts to reach a resolution of the issues related to retirement have been exhaustive and time-consuming; one could be forgiven for thinking that it is in all parties' interests to settle the entirety of their outstanding matters in dispute via a global settlement. That certainly remains our organizations' hope and desire.

Thus, Local 230 and the SJPOA look forward to continuing to discuss with you and the City the important issue of the sick leave payout in the context of the equally important matter of retirement benefit modifications. Please do not hesitate to contact us should you have any questions or concerns regarding our position in this matter. As always, your assistance and cooperation are greatly appreciated.

Very truly yours,



ROBERT SAPIEN, JR., President  
San Jose Fire Fighters, IAFF Local 230

Very truly yours,



JIM C. UNLAND, President  
San Jose Police Officers' Association

cc: Alex Gurza, Director of Employee Relations  
Local 230 and SJPOA Negotiation Teams